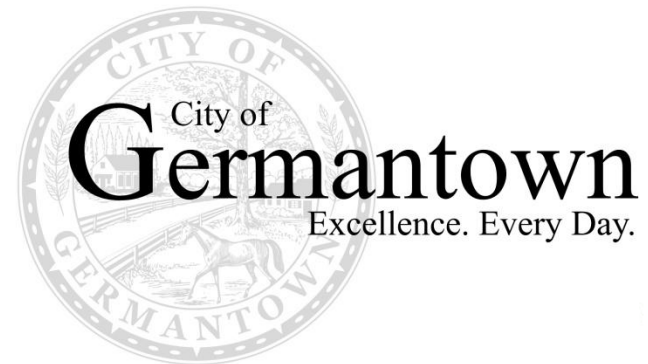


GENERAL FUND BUDGET

FISCAL YEAR 2018



General Fund Summary

- Manages the property tax rate over a five-year planning period
- Sustainable cost savings to offset tax adjustment
- Recommendations and decisions are consistent with established financial policies and support the strategic objectives in Germantown Forward 2030
- Maintains or improves core service levels
- A balanced budget with adequate resources for both capital and operations
- The FY18 General Fund Budget is an investment in our community



Budget Highlights

- Roll back calculation of tax rate
- Property tax adjustment to address education and supporting infrastructure
- Land acquisition, design of new K-5 school
- \$33.5 million bond issue
 - ✓ \$27 mm K-5 school
 - ✓ \$6.5 mm Forest Hill Irene
- Solid economic development growth
- Other revenue enhancements
- Continued phase out of Hall Income Tax
- The “Improve Act”
- Reduction in pension plan assumed rate of return
 - from 8% to 7.5% - net increase of \$890,000
- 3% salary adjustment



FY18 Revenue Highlights

Property Tax Adjustment:

- ✓ Current rate \$1.93
- ✓ Certified tax rate \$1.76
- ✓ Proposed increase \$0.23
- ✓ Effective tax rate \$1.99



FY18 Revenue Highlights

Economic Development:

- ✓ Local option sales tax \$9,175,000 **up** 0.9 %
- ✓ Occupancy tax \$ 925,000 **up** 5.7 %

Other Revenues:

- ✓ Auto registration \$275,000 **up** 29 %
 - ✓ Convenience fees 75,000 **up** 100 %
 - ✓ City court costs 38,000 **up** 10 %
- \$388,000**



FY18 Expenditure Highlights

- **Additional debt service on \$33.5 million**
 - ✓ \$2 million in average debt service payment
- **\$0.23 tax increase supports:**
 - ✓ \$0.10 – school site acquisition, construction, FF&E
 - ✓ \$0.03 – road improvements
 - ✓ \$0.10 – five-year phase out of Hall Income tax



FY18 Expenditure Highlights

- General Fund expenditures (less new debt) decreased by 1.8% or \$940,123 from FY17 estimates
- Transfers from the General Fund to support the enterprise and special revenue funds were reduced by 13.3% or \$634,666 in savings



FY18 Expenditure Highlights

- Increase of \$285,000 in Maintenance of Effort
- Increase of \$250,000 for OPEB liability
- Increase of \$890,000 for Pension liability



General Fund supports:

Public Safety

Facility, parks and street maintenance

City governance – BMA and Administration

Performing Arts

Human Resources

City Planning and Engineering

Court, Information Technology and Library

Finance and Procurement

Capital Financing



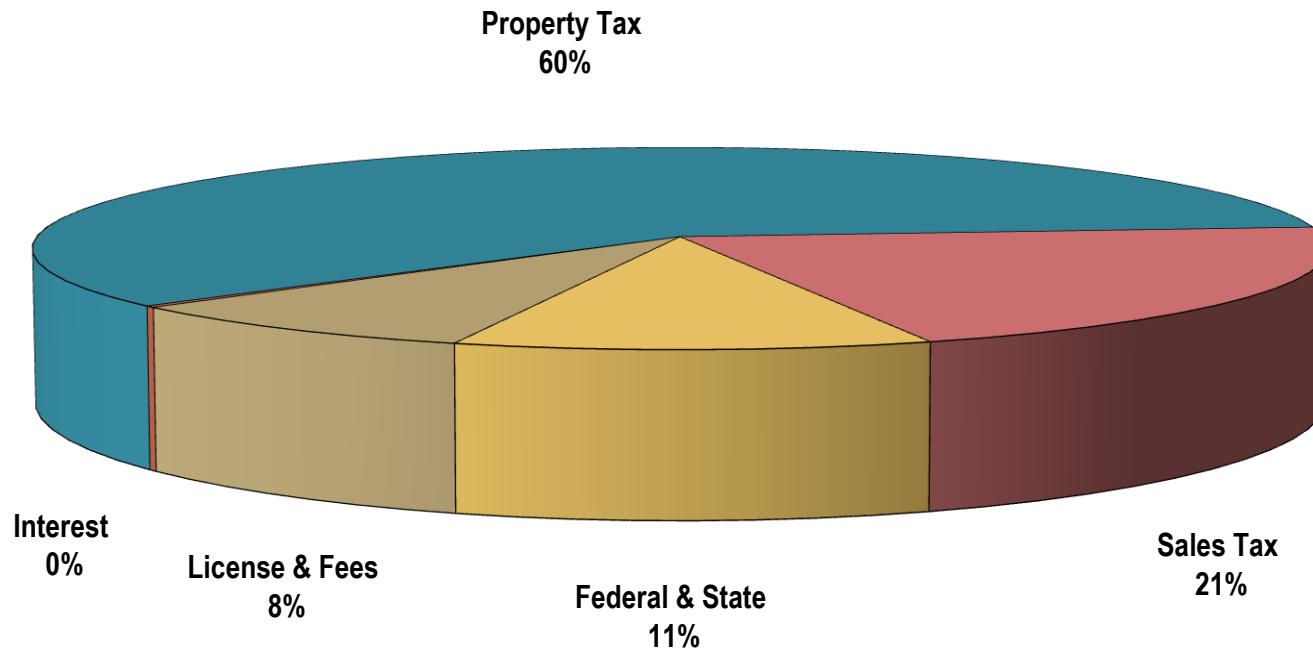
General Fund Revenues

\$56,507,700

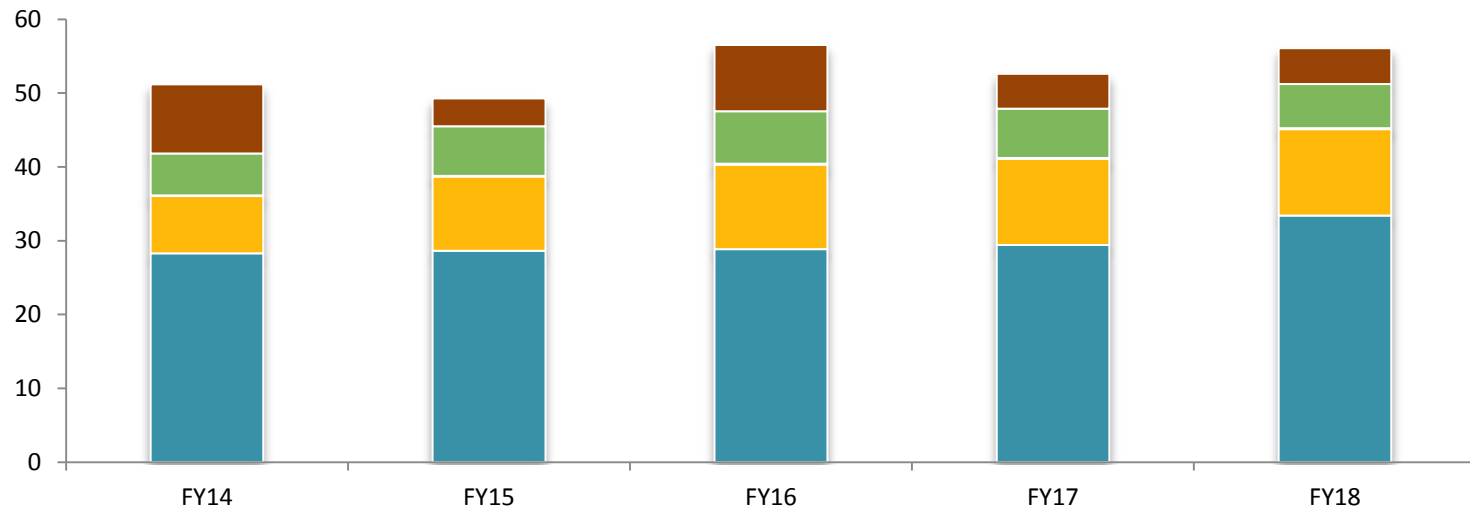
**6.5% increase
over FY17 estimate**



General Fund Revenues



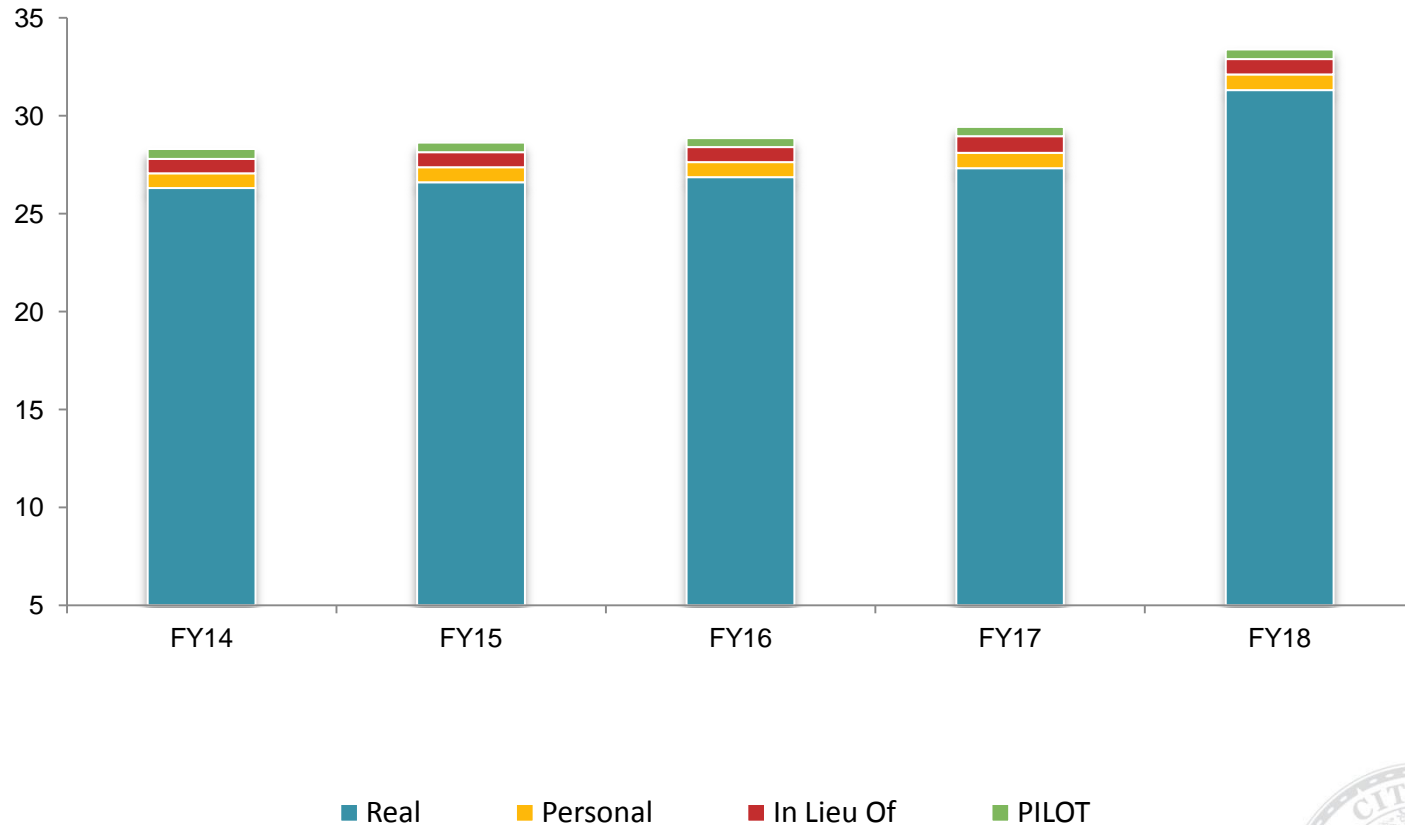
Revenue Categories



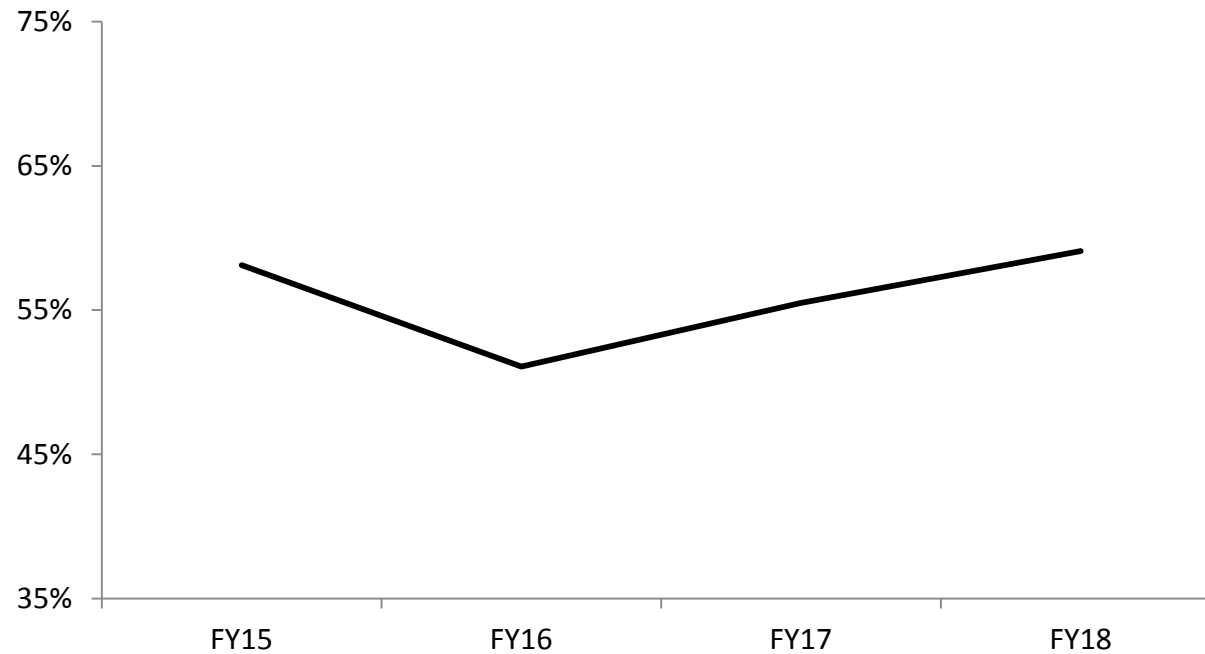
■ Property Tax ■ Local Sales Tax ■ Investment Income ■ Federal and State Revenues ■ Other Revenues



Property Taxes by Category



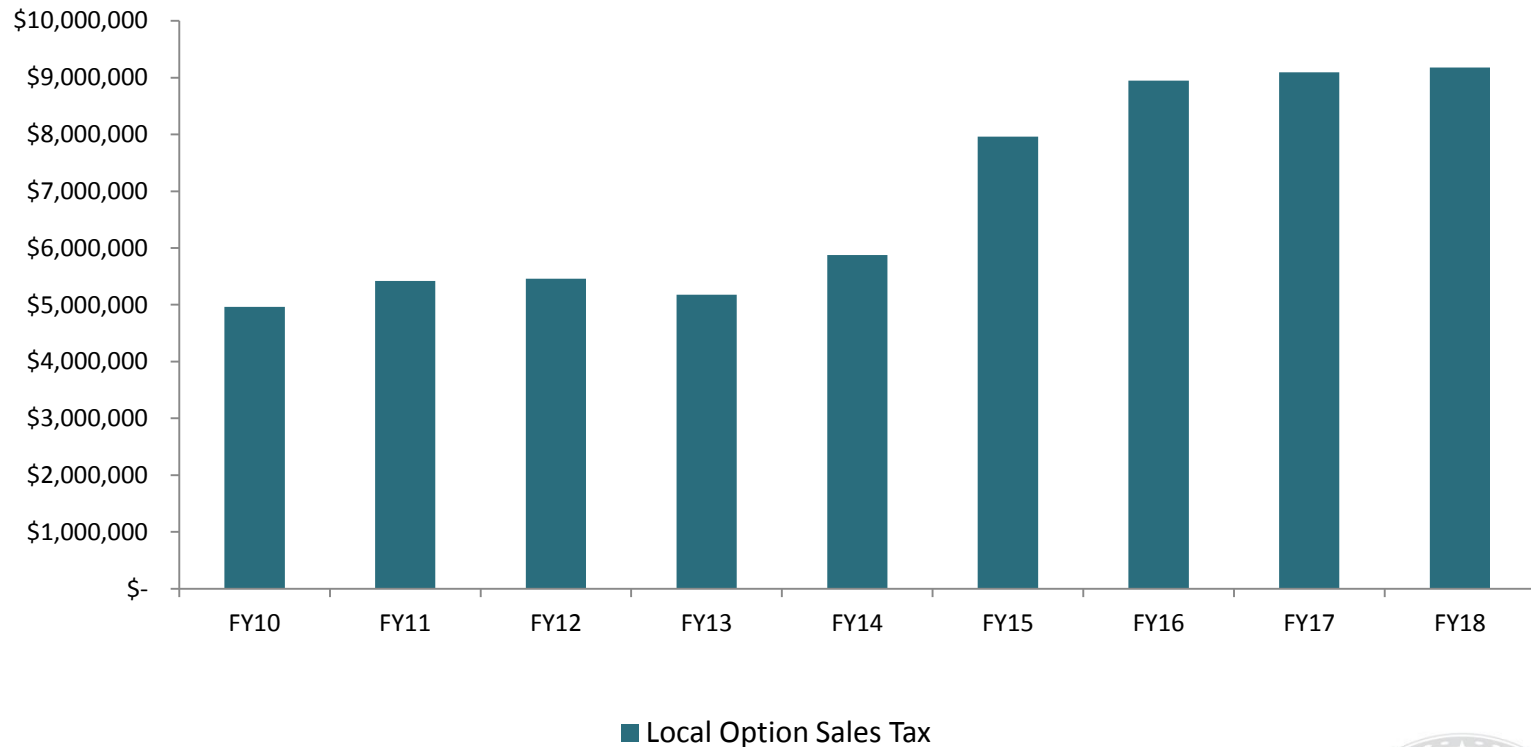
Property Taxes as a Percent of General Fund Revenues



— Property Tax as Percent G.F. Revenues



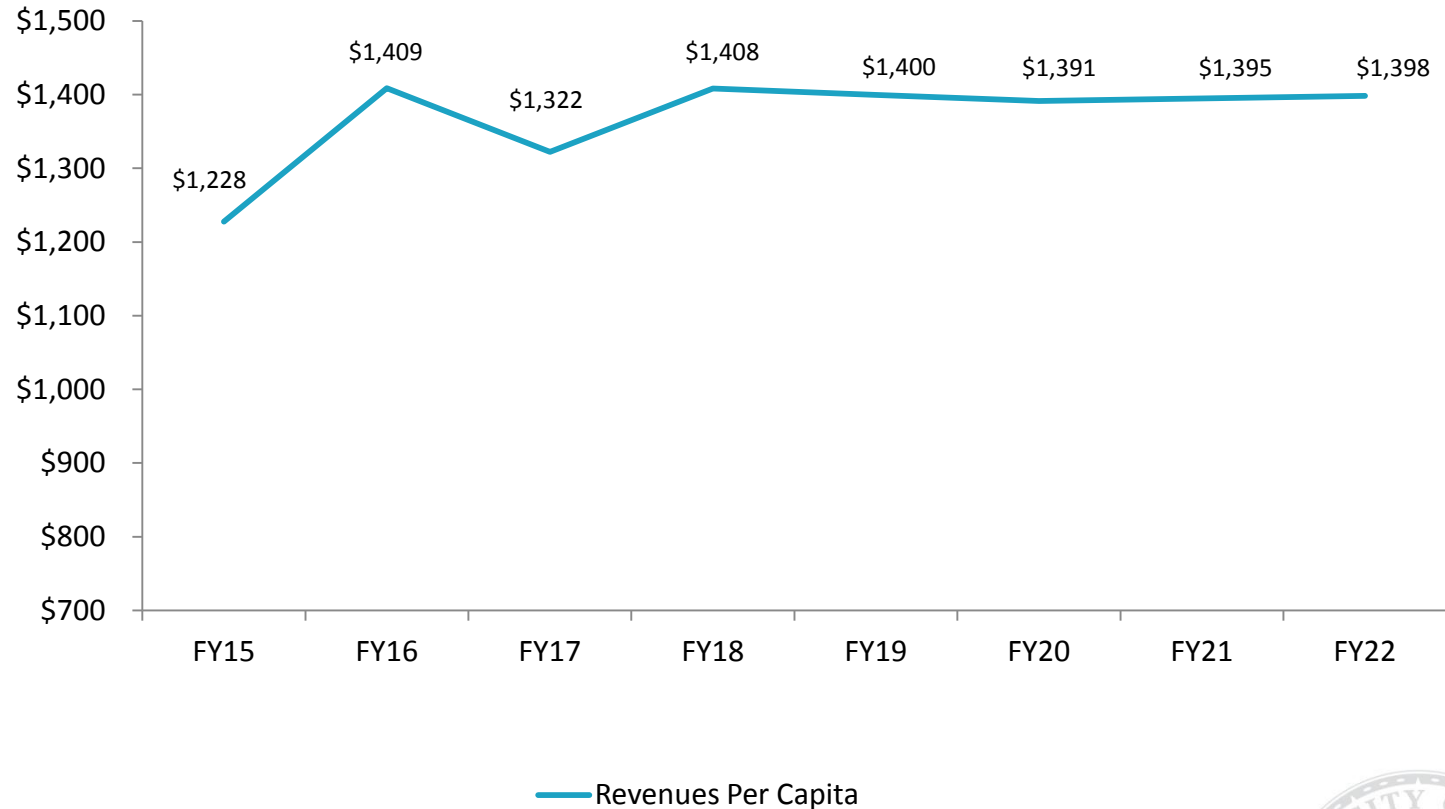
Local Sales Tax Revenues



State Sales Tax Allocation



Revenues Per Capita



General Fund Expenses

\$51,651,400

**1% increase
over FY17 estimate**



Value to the Community

Residents report satisfaction annually through a community survey. Percentages reflect those who report being somewhat or very satisfied.

Overall image and reputation of Germantown 95%

Germantown's overall job of providing high quality services 91%

Overall direction the City is taking 80%

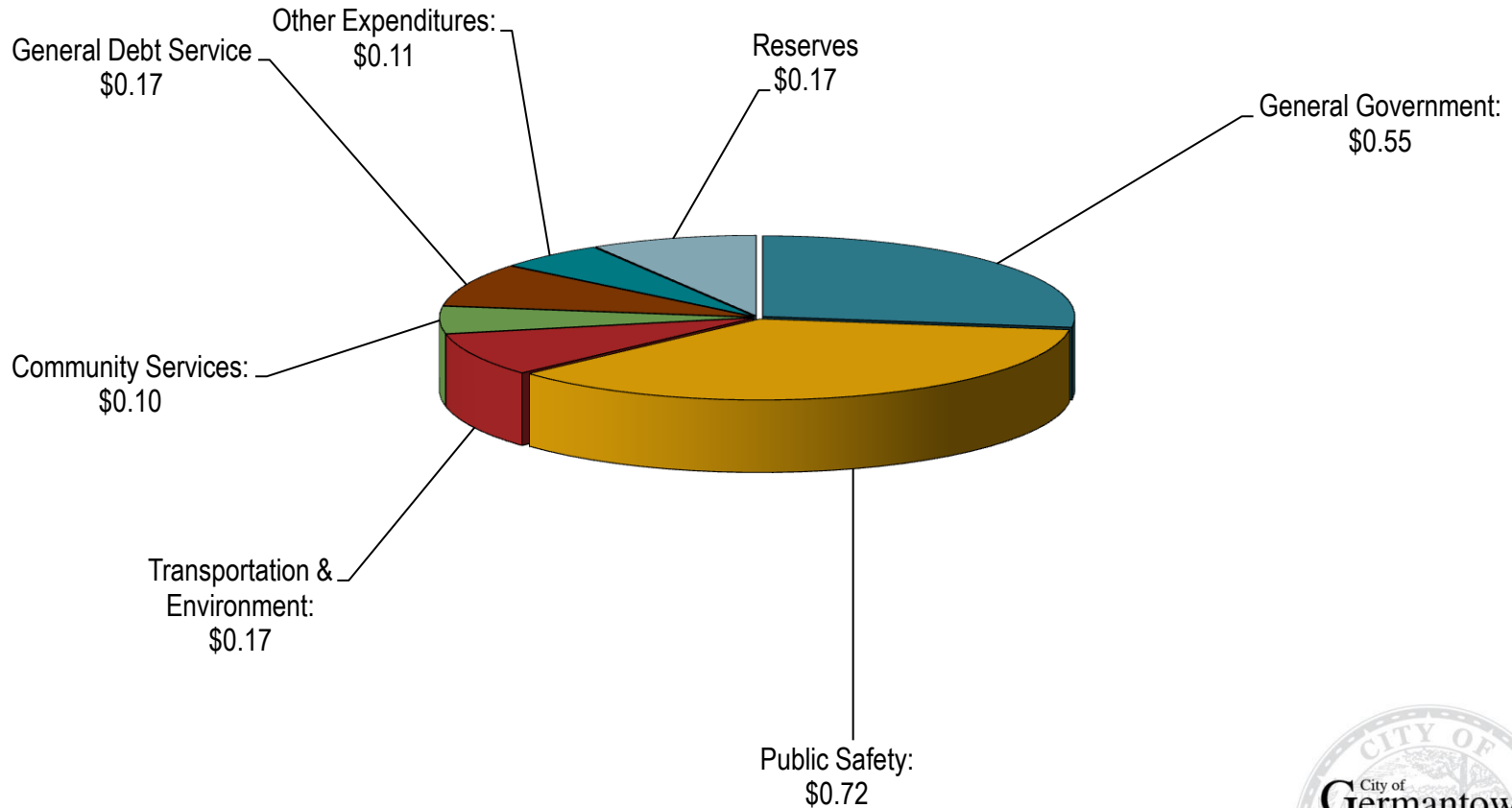
Overall value of City services for my tax dollar 81%

Net promoter score 76
(above 50 is considered excellent)

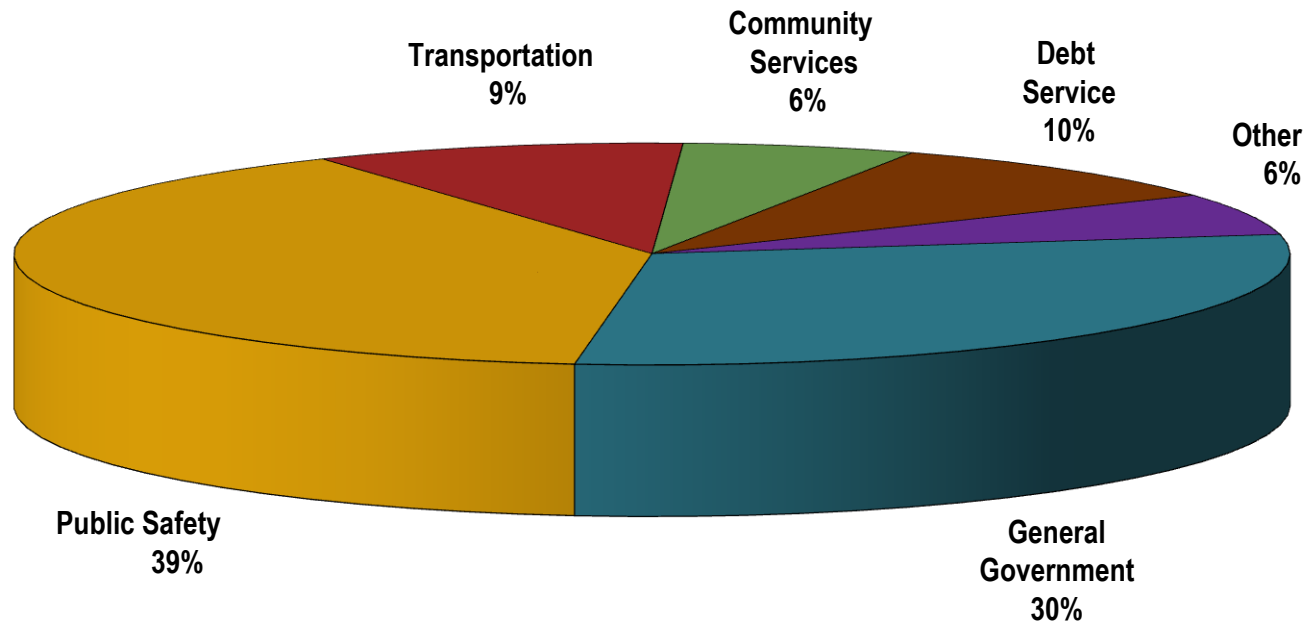


Property Tax Allocation

\$1.99



Expenses by Category



General Government	FY16 ACTUAL	FY17 BUDGET	FY17 EST	% var	FY18 BUDGET
Aldermen	\$ 165,657	\$ 231,653	\$ 237,859	-18.2%	\$ 194,453
Civic Support	1,610,901	1,502,870	1,769,518	-14.3%	1,516,795
City Court	704,098	730,274	729,918	0.2%	731,495
Administration	1,573,727	1,893,590	1,709,548	1.3%	1,732,509
GPAC	1,207,605	1,316,032	1,350,838	0.2%	1,353,961
Information Technology	1,624,745	2,498,600	2,665,415	-14.2%	2,287,158
Human Resources	644,475	678,173	692,994	-6.5%	647,996
Finance	1,075,984	1,173,553	1,213,613	7.4%	1,304,021
Procurement	695,692	718,501	708,802	2.9%	729,601
Community Development	2,146,062	2,195,798	2,241,942	-5.3%	2,123,667
General Services	1,879,516	1,963,462	2,215,997	11.0%	2,458,779
Budget & Performance	309,748	367,063	353,000	4.1%	367,520
	<u>\$ 13,638,210</u>	<u>\$ 15,269,570</u>	<u>\$ 15,889,444</u>	-2.8%	<u>\$ 15,447,955</u>

General Government



General Services

HVAC installations- IT Computer Room	\$ 80,000
HVAC – Parks & Rec.	\$ 65,000
City Hall Boilers	\$ 150,000
Greenway storage- Cameron Brown park	\$ 55,000
Security System- Parks & Rec.	\$ 17,500
GPAC Boilers	\$ 45,000
City Signs	\$ 100,000

GPAC

Main stage curtains	\$ 21,000
Hand Rails (8)	\$ 15,000
Bar and Concessions renovations	\$ 15,000

Community Development

Development fleet (1)	\$ 30,000
-----------------------	-----------

General Government IRP



Information Technology

Servers	\$ 20,000
Network Switches	\$ 35,000
IBM Message Switch	\$ 18,000
Portable Radio Repeater	\$ 10,000
Library CCTV Cameras	\$ 40,000
FS4 UPS Battery Replacement	\$ 20,000

Total General Government: \$736,500

General Government IRP



Public Safety	FY16 ACTUAL	FY17 BUDGET	FY17 EST	% var	FY18 BUDGET
Police	\$ 10,618,929	\$ 11,680,737	\$ 11,732,673	3.8%	\$ 12,175,188
Fire	7,400,432	7,701,559	7,959,460	2.8%	8,181,073
	<u>\$ 18,019,361</u>	<u>\$ 19,382,296</u>	<u>\$ 19,692,133</u>	<u>3.4%</u>	<u>\$ 20,356,261</u>

Public Safety



Police

Police fleet (7)	\$ 275,000
In-car video systems - Police Vehicles	\$ 30,000

Fire

Fire fleet (2)	\$105,000
Admin. Office Furniture	\$ 12,500
Generators for Apparatus	\$ 4,500
Portable radio microphones	\$ 7,000

Total Public Safety:	\$434,000
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Public Safety IRP



Satisfaction with Public Safety Services

Safety of living in Germantown compared to other cities 95%

Response time of police when called 90%

Response time of Fire Department when called 84%

Response time of Emergency Medical Services when called 85%

Public Safety



Community Services	FY16 ACTUAL	FY17 BUDGET	FY17 EST	% var	FY18 BUDGET
Parks & Recreation	\$ 1,038,286	\$ 1,379,880	\$ 1,264,088	2.9%	1,300,501
Genealogy Center	63,893	79,034	79,141	1.2%	80,073
Library Services	1,410,571	1,484,097	1,495,725	0.5%	1,503,330
Cultural Arts Programs	61,001	65,997	71,725	6.0%	75,997
	<u>\$ 2,573,751</u>	<u>\$ 3,009,008</u>	<u>\$ 2,910,679</u>	<u>1.7%</u>	<u>\$ 2,959,901</u>

Community Services



Parks

Security Cameras – Parks & Greenway Trail \$ 10,000

Greenway Usage Counter \$ 15,500

Total Community Services: \$ 25,500

Community Services IRP



Satisfaction with Community Services

Overall quality of the Germantown Library 91%

Availability and variety of recreation programs 75%

Community Services



Transportation & Environment	FY16 ACTUAL	FY17 BUDGET	FY17 EST	% var	FY18 BUDGET
Public Works	\$ 3,914,788	\$ 4,424,734	\$ 4,623,680	-3.1%	\$ 4,478,216
Animal Control	367,554	337,585	346,844	13.9%	395,216
	<u>\$ 4,282,342</u>	<u>\$ 4,762,319</u>	<u>\$ 4,970,524</u>	<u>-2.0%</u>	<u>\$ 4,873,432</u>

Transportation and Environment



Public Services

Salt Spreaders	\$ 6,000
Crown CB16 Debris Buggy	\$ 15,000
Grasshopper Mower (2)	\$ 34,000
Ford F-750 flat bed	\$ 150,000
Ford F-250 4X4	\$ 37,000
Ford F-250	\$ 40,000
Round rail fencing	\$ 42,000
Resurface Greenway Walking trail	\$ 80,000
Total Transportation and Environment:	\$ 404,000

Transportation and Environment IRP



Satisfaction with Transportation and Environmental Services

Appearance and maintenance of street medians	92%
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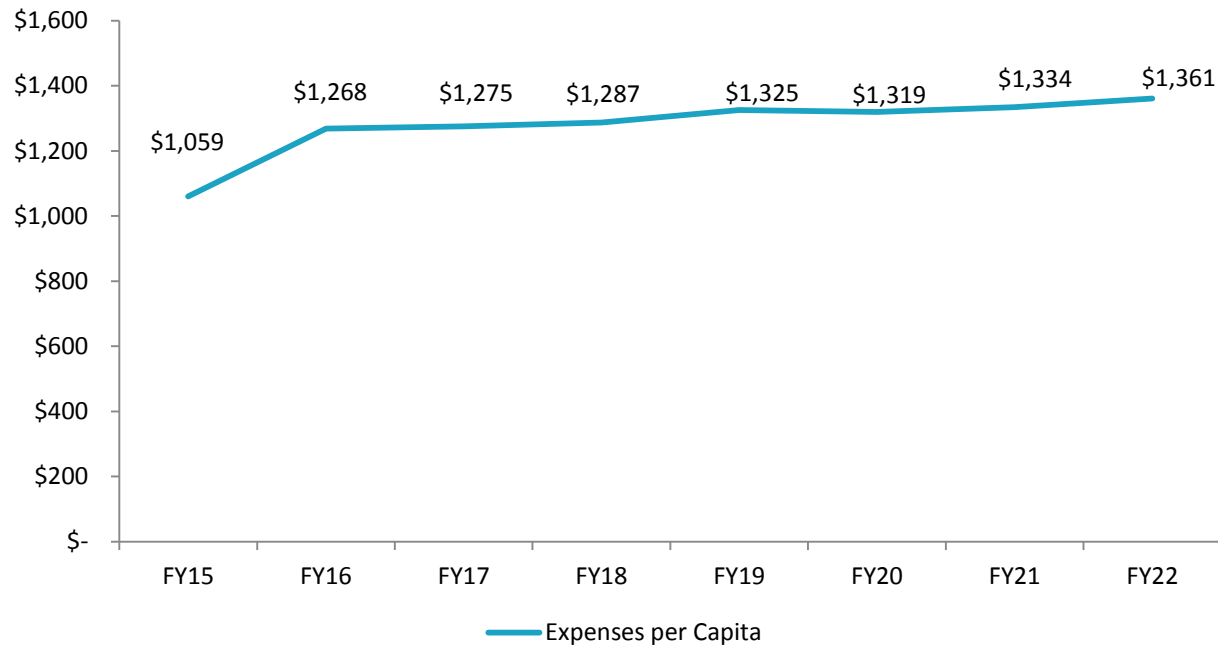
Effectiveness of animal control and shelter services	71%
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Maintenance and driving condition of City streets including pavement, lane striping, curbs, gutters, etc.	77%
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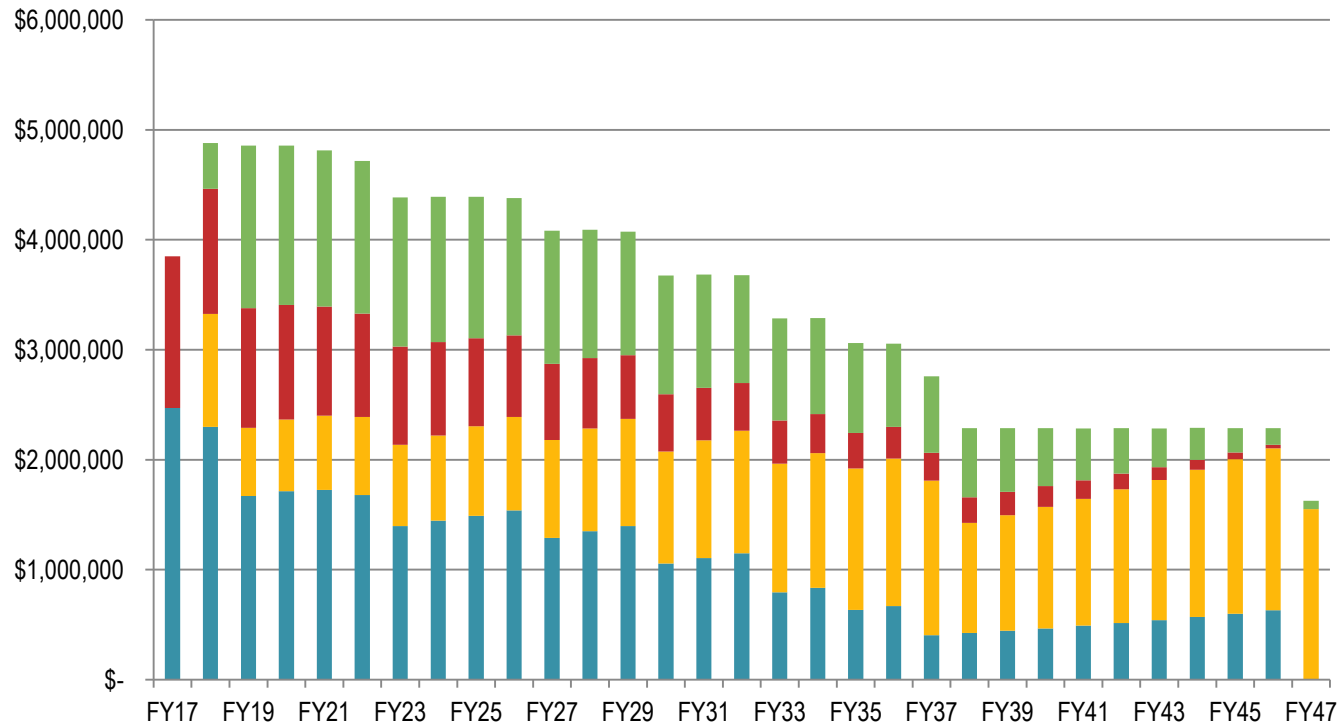
Transportation and Environment



Expenses per Capita



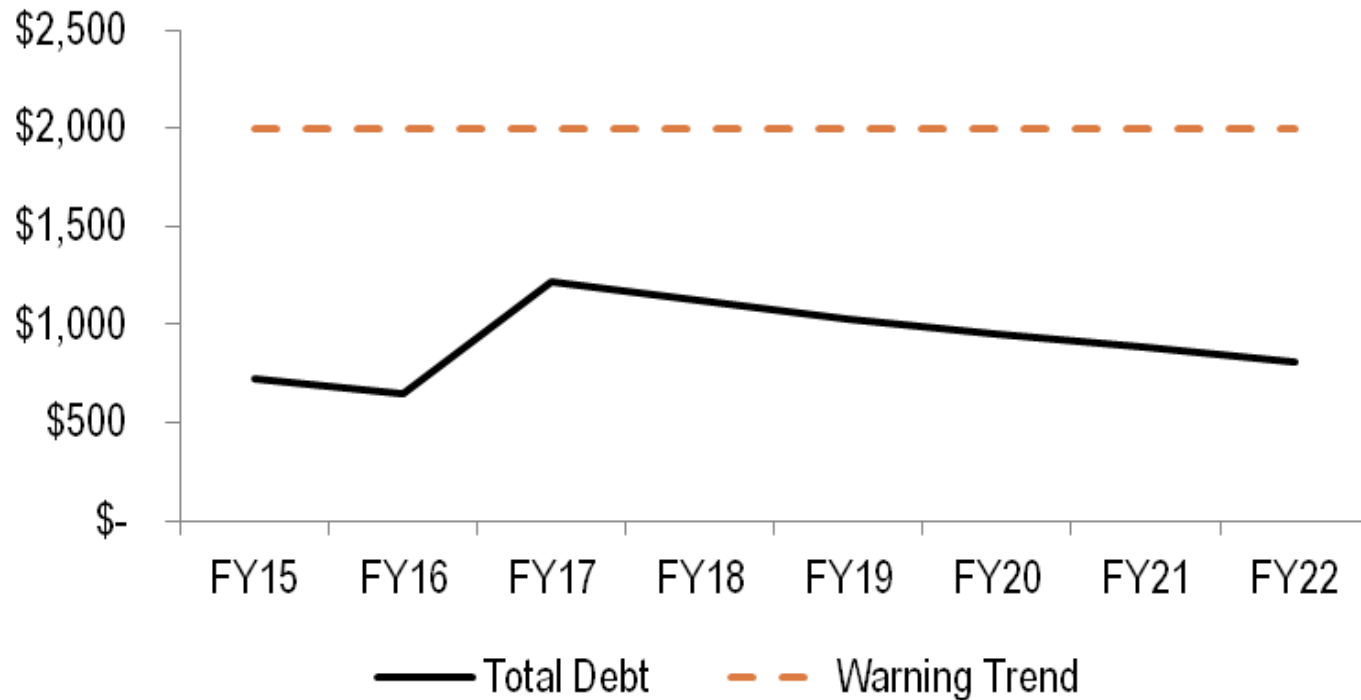
General Obligation Debt Service



■ Current Principal
 ■ Future Principal
 ■ Current Interest
 ■ Future Interest

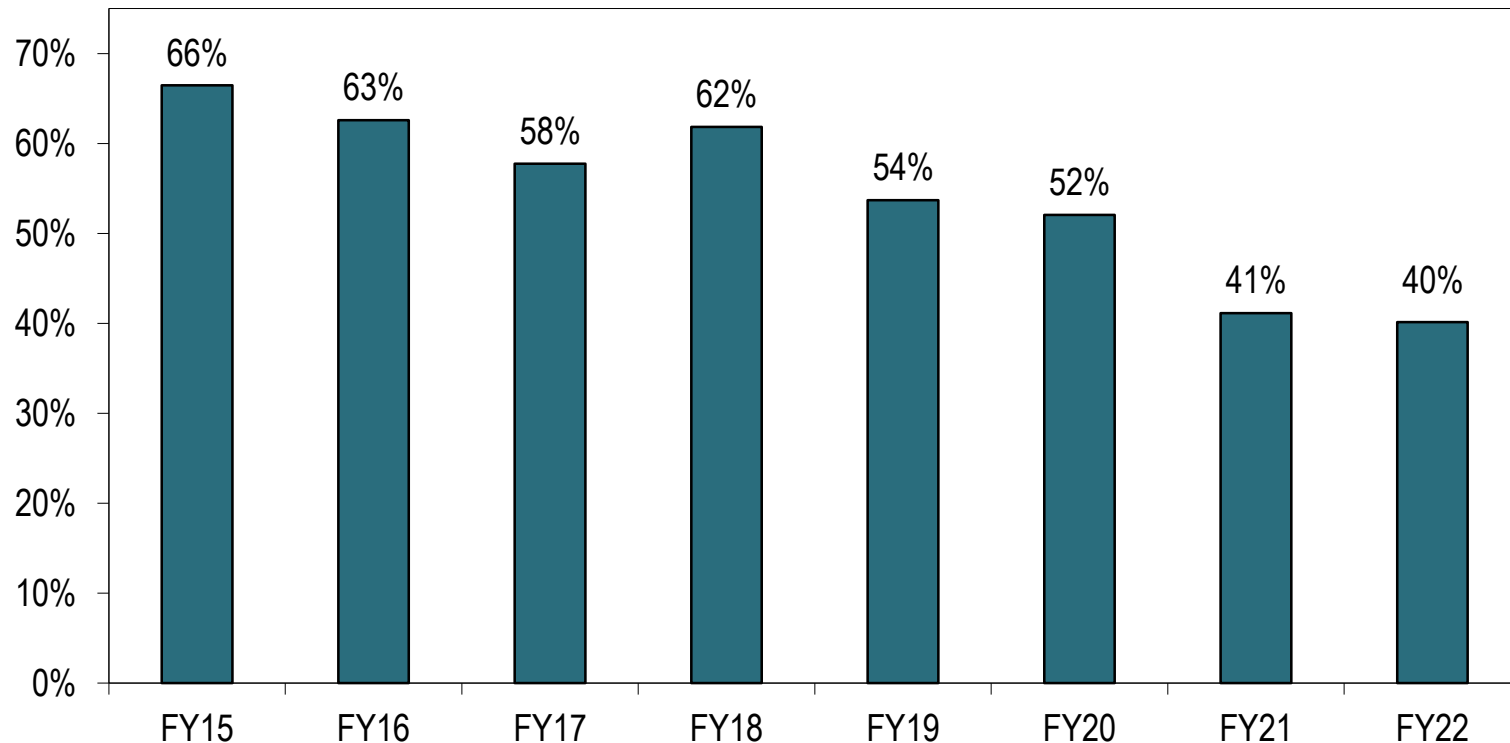


Debt per Capita



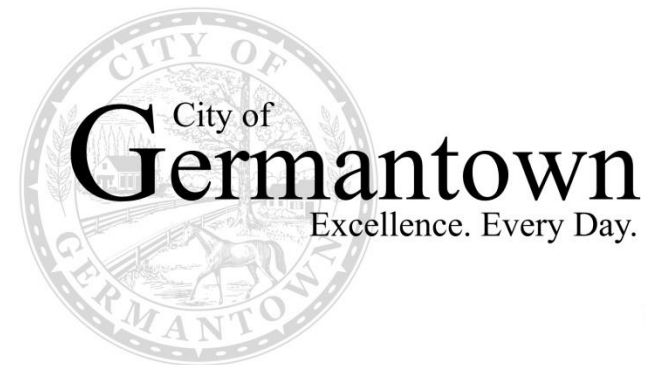
Fund Balance

as a percentage of total expenditures



PROPOSED ENTERPRISE FUNDS

FISCAL YEAR 2018



Included Funds

Utility Fund

Stormwater Management Fund

Germantown Athletic Club Fund

Sanitation Fund

The Great Hall & Conference Center



UTILITY FUND

Operating Revenues: \$8,902,000

1.7% increase from FY17 Estimate

Operating Expenses: \$8,001,000

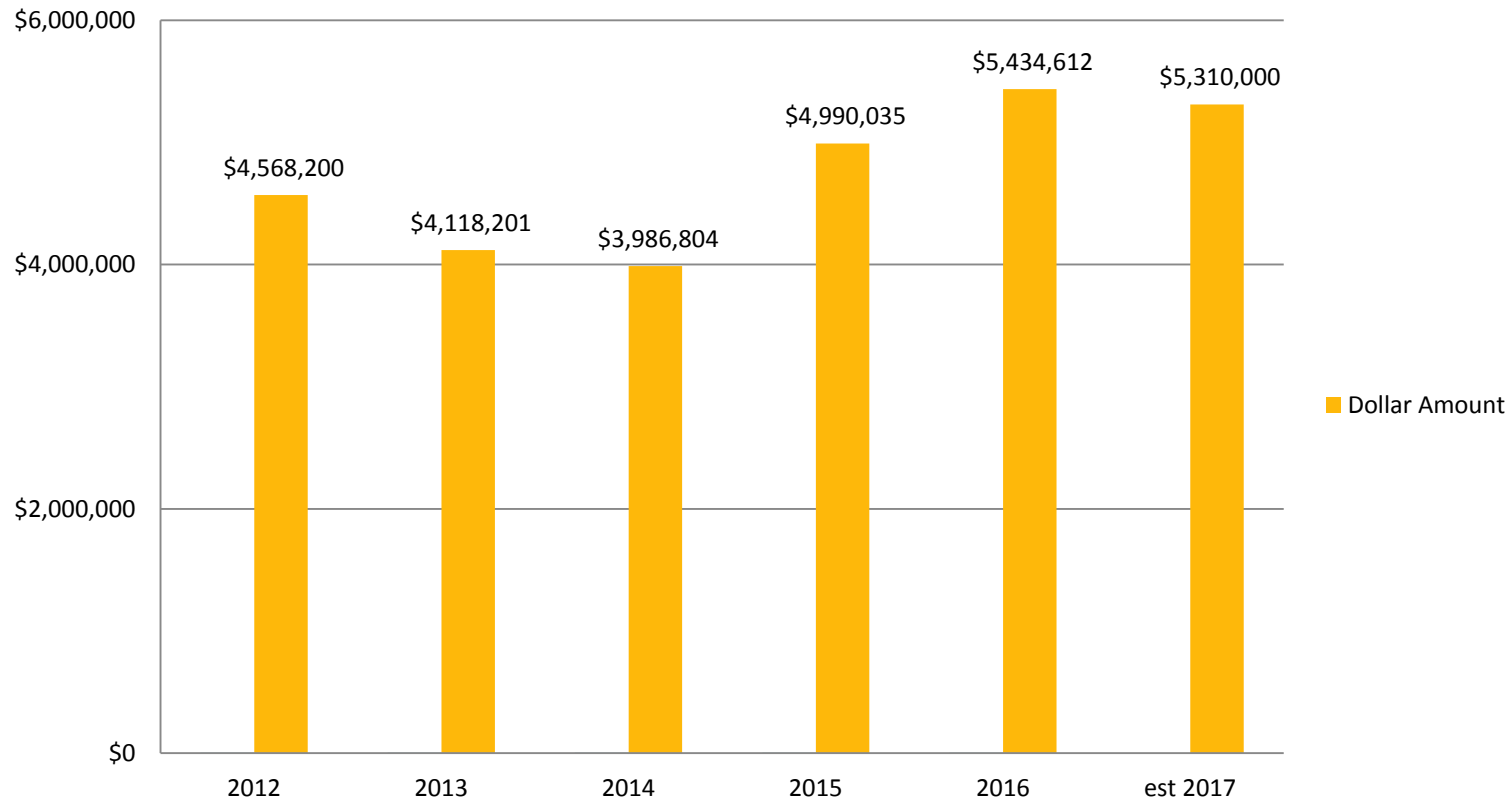
5.7% increase from FY17 Estimate



Utility Fund

Fiscal Year 2018

Water Meter Sales



Projects and Initiatives

CIP - \$1,102,500

Johnson Road Roof Replacement	\$310,000
Western Gateway Sewer	\$200,000
Land Purchase - Southern Avenue	\$350,000
Greenway Lift Station Replacement	\$60,000
Southern Avenue Electrical Panels	\$182,500



Projects and Initiatives

IRP - \$890,000

Maintenance of Sewer Collection System	\$300,000
Water Mains Maintenance	\$100,000
Maintenance of Water Wellfield System	\$20,000
Ingersoll Rand Compressor (Sewer)	\$35,000
Trailer Mounted GenSet (Sewer)	\$55,000
Atlas Copco Compressor (Water)	\$35,000
Sewer Fleet (2)	\$245,000
SCADA System Replacement	\$100,000



STORMWATER MANAGEMENT FUND

Operating Revenues: \$1,047,700

0.7% increase from FY17 Estimate

Operating Expenses: \$1,004,500

4.3% increase from FY17 Estimate



Stormwater Management Fund

Fiscal Year 2018

Projects and Initiatives

IRP - \$100,000

CIPP Drainage maintenance

\$100,000



ATHLETIC CLUB FUND

Operating Revenues: \$4,520,500

7.9% increase over FY17 Estimate

Operating Expenses: \$4,028,300

10.9% increase over FY17 Estimate



Germantown Athletic Club Fund

Fiscal Year 2018

Achievements

FY16: Net Operating Income: \$780,249

Phase I complete (licensed childcare/mind
& body and cycle studios)

FY17: Estimated Net Operating Income: \$556,558

New website/Member Self Service

Phase II (cardio deck/courts/GF studios)



Germantown Athletic Club Fund

Fiscal Year 2018

Projects and Initiatives

CIP - \$1,095,000

Phase 3 Club renovation

\$1,000,000

Lobby Furniture

\$95,000



Germantown Athletic Club Fund

Fiscal Year 2018

Projects and Initiatives

IRP - \$135,000

GAC Boilers

\$135,000



SANITATION FUND

Operating Revenues: \$4,996,500

2.9% increase from FY17 Estimate

Operating Expenses: \$4,796,600

2% increase from FY17 Estimate (less liquidated damages)



Items impacting budget

- Second year of five year contract
- Fewer back door customers -16-17%
- Lower than anticipated disposal volume
- Sanitation fund net position



Projects and Initiatives

IRP - \$170,000

Knuckle Boom Truck

\$170,000



THE GREAT HALL FUND

Operating Revenues: \$482,200

4.5% increase over FY17 Estimate

Operating Expenses: \$547,600

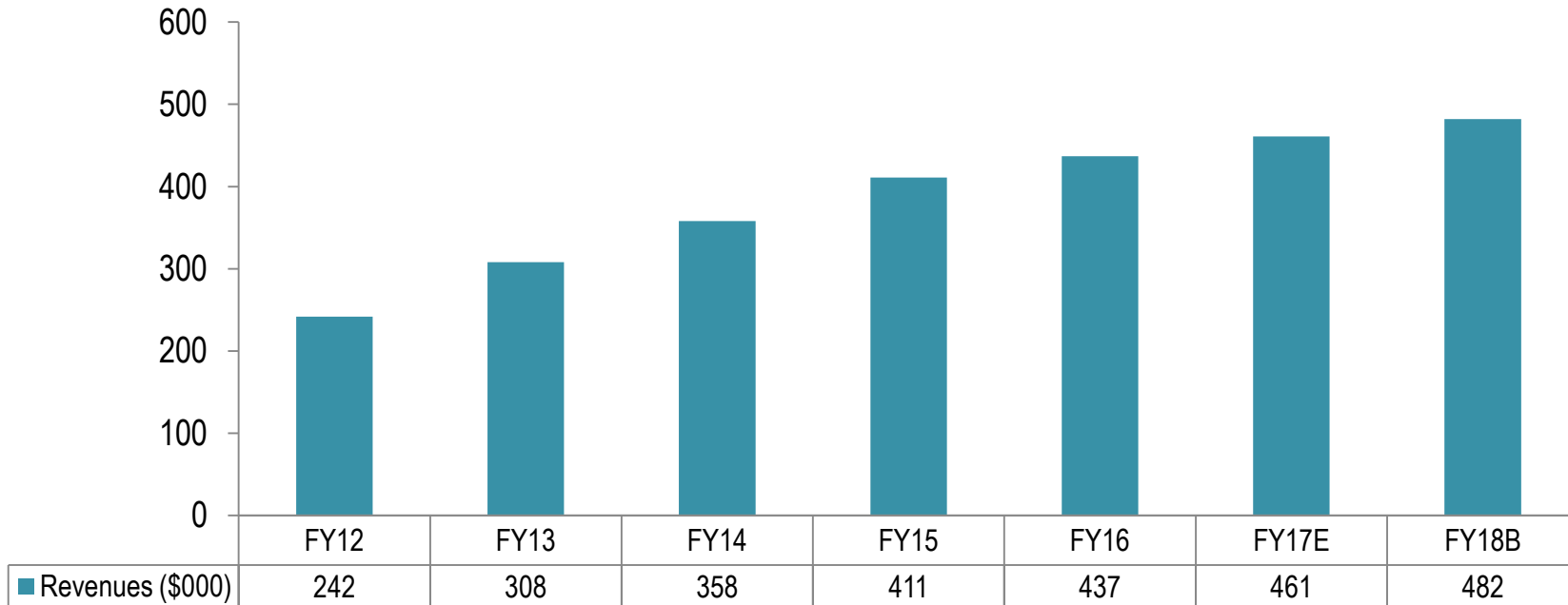
0.05% increase over FY17 Estimate



The Great Hall Fund

Fiscal Year 2018

Great Hall Revenues



The Great Hall Fund

Fiscal Year 2018

Projects and Initiatives

IRP - \$30,000

Light Dimming Rack and 6 Wall Mounted Control Panels	\$30,000
---	----------



PROPOSED SPECIAL REVENUE FUNDS

FISCAL YEAR 2018



Special Revenue Funds

	<u>Revenues</u>	<u>Expenses</u>
State Street Aid	\$2,224,600	\$2,470,000
Drug Asset Forfeiture	300,000	261,800
Pickering Center	99,500	68,300
Recreation	677,300	908,800
Federal Asset Forfeiture	50,000	50,000
Ambulance	1,800,000	2,079,800
Farm Park	180,700	160,700
Library Endowment	-	18,100
GMSD	57,929,700	57,644,000
TOTAL	\$63,261,800	\$63,661,500

State Street Aid Fund

- Covers the expenses of city crews, street resurfacing, asphalt rejuvenation, street sweeping and street striping
- Streetlight electricity

<u>CATEGORY</u>	<u>Actual FY16</u>	<u>Budget FY17</u>	<u>Estimated FY17</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY18</u>
Roads and Mains	\$ 1,181,879	1,800,000	2,300,940	(750,940)	-32.64%	1,550,000
Utilities	860,820	900,000	900,000	20,000	2.22%	920,000
TOTAL	\$ 2,042,699	2,700,000	3,200,940	(730,940)	-22.84%	2,470,000



Drug Asset Forfeiture Fund

- Expenses related to drug-related fines and confiscations
- State law requires resources be used in drug related law enforcement including overtime for drug enforcement officers, high school drug education, drug dog expenditures and confidential informants

<u>CATEGORY</u>	<u>Actual FY16</u>	<u>Budget FY17</u>	<u>Estimated FY17</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY18</u>
Personnel	\$ 85,658	111,000	111,000	-	0.00%	111,000
Communication	360	1,000	1,000	-	0.00%	1,000
Professional Fees	-	-	-	-	-	-
Other Maintenance	-	5,000	5,000	-	0.00%	5,000
Supplies	75,620	138,000	138,000	-	0.00%	138,000
Rent	-	750	-	750	100%	750
Capital Outlay	33,261	-	-	-	-	-
Utilities	5,336	6,000	6,000	-	0.00%	6,000
TOTAL	\$ 200,235	261,750	261,000	750	0.29%	261,750

Pickering Center Fund

- Provides programming for seniors, instructional programming and private rentals including parties, meetings and other community events
- Operation of facility

<u>CATEGORY</u>	<u>Actual FY16</u>	<u>Budget FY17</u>	<u>Estimated FY17</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY18</u>
Professional Fees	\$ 28,260	31,176	29,740	17,593	59.16%	47,333
Supplies	3,045	7,500	7,500	500	6.67%	8,000
Allocations	2,703	2,879	2,768	180	6.50%	2,948
Capital Outlay	-	25,000	25,000	(25,000)	-100.00%	-
Utilities	8,523	11,020	9,500	520	5.47%	10,020
TOTAL	\$ 42,531	77,575	74,508	(6,207)	-8.33%	68,301



Recreation Fund

- Recreation leagues including youth basketball, adult softball, tennis, adult kickball, croquet, sports camps, community education and the Mayor's Cup 5K
- Uniforms, awards and trophies
- Includes before/after school and intramurals programs for GMSD

<u>CATEGORY</u>	<u>Actual FY16</u>	<u>Budget FY17</u>	<u>Estimated FY17</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY18</u>
Personnel	\$ 190,267	304,559	319,587	89,516	28.01%	409,103
Professional Fees	134,217	183,297	160,764	25,305	15.74%	186,069
Supplies	67,844	152,156	91,250	4,450	4.88%	95,700
Rent	-	-	-	-	-	-
Allocations	15,006	14,870	16,798	1,094	6.51%	17,892
Capital Outlay	31,679	-	-	200,000	100%	200,000
TOTAL	\$ 439,013	654,882	588,399	320,365	54.45%	908,764

Federal Asset Forfeiture Fund

- Revenues obtained from asset forfeitures
- Federal law requires money seized from assets to be placed in a separate fund and used by the Police department.

<u>CATEGORY</u>	<u>Actual FY16</u>	<u>Budget FY17</u>	<u>Estimated FY17</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY18</u>
Personnel	\$ 8,305	20,000	20,000	-	0.00%	20,000
Supplies	16,858	30,000	30,000	-	0.00%	30,000
TOTAL	\$ 25,163	50,000	50,000	-	0.00%	50,000

Ambulance Fund

- Provides funding for emergency medical and transport

<u>CATEGORY</u>	<u>Actual FY16</u>	<u>Budget FY17</u>	<u>Estimated FY17</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY18</u>
Personnel	\$ 1,399,018	1,531,018	1,516,285	94,348	6.22%	1,610,633
Communication	1,104	3,735	4,146	154	3.71%	4,300
Professional Fees	64,993	61,750	65,000	146	0.22%	65,146
Insurance	6,585	19,000	10,000	-	0.00%	10,000
Other Maintenance	6,034	6,900	7,425	600	8.08%	8,025
Supplies	73,011	95,850	87,880	15,990	18.20%	103,870
Allocations	38,246	43,191	38,281	(2,048)	-5.35%	36,233
Capital Outlay	-	-	-	239,000	100%	239,000
Utilities	1,632	2,592	2,592	-	0.00%	2,592
TOTAL	\$ 1,590,623	1,764,036	1,731,609	348,190	20.11%	2,079,799

Farm Park Fund

- Covers expenses associated with providing farmers' market and educational programming

<u>CATEGORY</u>	<u>Actual FY16</u>	<u>Budget FY17</u>	<u>Estimated FY17</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY18</u>
Personnel	\$ 59,657	87,428	59,354	11,465	19%	70,819
Communication	950	5,720	3,035	765	25%	3,800
Professional Fees	26,188	28,023	25,550	1,600	6%	27,150
Contract Services	478	3,500	3,500	2,000	57%	5,500
Insurance	384	3,000	-	3,000	100%	3,000
Other Maintenance	7,364	9,500	7,500	-	0%	7,500
Supplies	15,642	24,500	18,650	8,850	47%	27,500
Rent	3,380	5,000	1,000	-	0%	1,000
Allocations	-	1,090	1,048	68	6%	1,116
Capital Outlay	28,685	32,500	17,500	(17,500)	-100%	-
Utilities	8,316	16,600	8,676	4,624	53%	13,300
TOTAL	\$ 151,044	216,861	145,813	14,872	10.20%	160,685

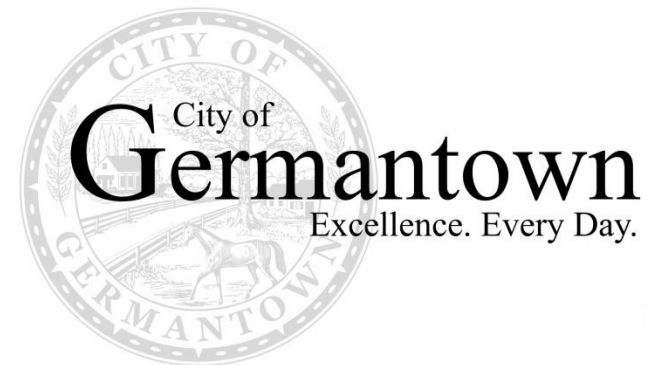
Germantown Municipal School District

- Includes expenses for personnel and daily operations for the school district

<u>CATEGORY</u>	<u>Actual FY16</u>	<u>Budget FY17</u>	<u>Estimated FY17</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY18</u>
Personnel	\$ 36,688,000	38,973,000	38,448,000	2,407,000	6.26%	40,855,000
Communication	287,000	355,000	355,000	6,000	1.69%	361,000
Professional Fees	3,817,000	5,004,000	4,284,000	357,000	8.33%	4,641,000
Contract Services	633,000	660,000	652,000	28,000	4.29%	680,000
Supplies	2,648,000	2,368,000	2,251,000	410,000	18.21%	2,661,000
Rent	133,000	152,000	152,000	-	0.00%	152,000
Allocations	253,000	170,000	140,000	(25,000)	-17.86%	115,000
Capital Outlay	3,739,000	5,782,000	5,756,000	281,000	4.88%	6,037,000
Utilities	781,000	865,000	835,000	80,000	9.58%	915,000
Other Maintenance	711,000	899,000	824,000	128,000	15.53%	952,000
Insurance	231,000	264,000	214,000	61,000	28.50%	275,000
TOTAL	\$ 49,921,000	55,492,000	53,911,000	3,733,000	6.92%	57,644,000

CAPITAL IMPROVEMENTS PROGRAM

FISCAL YEAR 2018



PROPOSED FY18 PROJECTS

Category	Projects	Cost
General Government	3	\$525,000
Major Roads	3	\$2,550,000
Intersections	6	\$4,175,400
Drainage	3	\$350,000
Parks	4	\$2,511,000
Athletic Club	1	\$1,000,000
Utility	5	\$1,102,500
Municipal Schools	1	\$27,000,000
Contingency		\$250,000
TOTAL	26	\$39,463,900

Local funding: \$33,193,100

Intergovernmental funds and grants: \$6,270,811



General Government

Projects

Cost

Police Indoor Range	\$ 75,000
City Hall Police Parking	300,000
Customer Service Center	150,000
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TOTAL	\$525,000



Major Roads

Projects

Cost

Winchester milling/paving

1,450,000

Poplar Avenue culvert

600,000

FHI Widening Poplar Pike to Winchester ROW

500,000

TOTAL

\$2,550,000



Intersections

Projects

Cost

Central Business District streetscape	\$1,000,000
Signal upgrades	1,050,000
Allenby Rd. Sidewalks Mercedes to Farmington	30,000
Safe Routes to School – Phase 2	190,800
Wolf River/G'Town Rd. Improvement - ROW	1,750,000
Safe Routes to School – Phase 1	154,600

TOTAL**\$4,175,400**

Drainage

Projects

Cost

Master drainage plan	\$150,000
Annual misc. drainage improvements	50,000
Lateral G Mitigation at Allenby Lakes	150,000

TOTAL

\$350,000



Parks

Projects

Cost

Greenway Restroom	\$175,000
Greenway Phase Nashoba to East Trail Head	1,900,000
Farmington Playground Renovation	306,000
<u>Farmington Park East Field Renovation</u>	<u>130,000</u>

Total

\$2,511,000



Athletic Club

Projects

GAC renovation

Cost

\$1,000,000



Municipal Schools

Projects

New School Construction

Cost

\$27,000,000



Utilities

Projects

Cost

Johnson Rd. Roof Replacement	\$310,000
Western Gateway Sewer	200,000
Land Purchase Southern Ave.	350,000
Greenway Lift Station Replacement	60,000
Southern Ave. Electrical Panels	182,500

Total

\$1,102,500



PRELIMINARY FUNDING MODEL

Reserves	\$4,007,100	10%
\$1,904,600 General Government		
\$1,102,500 Utility Fund		
\$1,000,000 GAC Fund		
 G.O. Bonds	 \$27,000,000	 68%
 Hall Tax	 \$2,186,000	 6%
Intergovernmental/Grants	\$6,270,811	16%
 TOTAL	 \$39,463,911	

